

SIDLEY & AUSTIN

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ONE FIRST NATIONAL PLAZA

CHICAGO, ILLINOIS 60603

TELEPHONE 312 853 7000

FACSIMILE 312 853 7036

FOUNDED 1866

DALLAS
LOS ANGELESNEW YORK
WASHINGTON, D.C.

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SHANGHAI

SINGAPORE

TOKYO

FACSIMILE/TELECOPIER TRANSMISSION

From: **Name:** Larry J. Nyhan (312) 853-7710
 Voice Phone: Lauri (312) 853-7558

To: **Name:** Jeffrey C. Krause, Esq.
 Company: Akin, Gump
 Facsimile #: 310-552-6707
 Voice Phone:
 Subject: BCI

Message:

Hard copy of Option Agreement (with Exhibits) will be sent via overnight delivery.

Date:	02/14/00	Time:	11:05 AM	No. Pages (Including Cover):	25
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THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, NOTIFY IMMEDIATELY BY TELEPHONE, AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE US POSTAL SERVICE. THANK YOU.

NOTE: IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL: Lauri (312) 853-7558

Boston Chicken, Inc.

Option Agreement

Dated as of December 1, 1999

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Boston Chicken, Inc. Option Agreement

Exhibit 1

Form of Purchase and Assumption Agreement

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Copy of Proof of Claim

AGREEMENT

This Agreement (the "Agreement"), dated as of December 1, 1999, is made among (i) each of the undersigned holders of debt obligations of Boston Chicken, Inc. (the "Company"), a debtor and debtor-in-possession together with certain of its affiliates (the "Debtors") in these chapter 11 cases (Case No. 98-12547-CGC through 98-12570-CGC (the "Cases")) pending before the United States Bankruptcy Court in the District of Arizona (the "Bankruptcy Court") under (A) that certain Secured Revolving Credit Agreement, dated as of December 9, 1996 (the "Credit Agreement"), by and among the Company, the financial institutions parties thereto, and Bank of America, N.A., as Agent (the "Bank Agent", collectively with the financial institutions parties thereto, the "Banks"), or (B) under that certain Master Lease Agreement No. 2, dated as of December 9, 1996, as amended (the "Master Lease"), between the Company and General Electric Capital Corporation, individually and as Agent for the Participants under and as defined in the Master Lease (each, a "Participant") ("GECC" or "Lease Agent" and collectively with the Bank Agent, the "Agents"), and (ii) Golden Restaurant Operations, Inc. (the "Purchaser"), together with its corporate parent, McDonald's Corporation (the "Parent"), as payment guarantor (each, a "Party" and collectively, the "Parties"). Each of the undersigned holders, in its capacity as the owner of debt claims evidenced by the Credit Agreement and/or the Master Lease and not in any other capacity, shall hereinafter be referred individually as a "Holder", and collectively as the "Holders".

WHEREAS, the undersigned Holders are each holders of record of claims under the Credit Agreement and/or the Master Lease (individually, a "Claim" and collectively, the "Claims"), and such Holders hold 100% of the Claims against the Debtors that are evidenced by the Credit Agreement and the Master Lease;

WHEREAS, the Cases were commenced on October 5, 1998 (the "Petition Date");

WHEREAS, together with the Holders and their representatives, the Debtors and their financial advisors have conducted an orderly process over the past six months in order to obtain the highest and best bid for the Debtors' assets;

WHEREAS, as a result of active bidding among a number of potentially interested parties, the Holders have concluded that Purchaser has made the highest and best bid;

WHEREAS, in order to induce Purchaser to enter into the Asset Purchase Agreement, dated as of November 30, 1999 by and between the Debtors, Golden Restaurant Operations, Inc. and McDonald's Corporation (the "Asset Purchase Agreement"), the Holders are willing to enter into this Agreement with Purchaser;

WHEREAS, the Holders intend that the Asset Purchase Agreement will form the basis for a plan of reorganization to be filed by the Debtors and, if the Debtors fail to file a plan of reorganization that is otherwise acceptable to the Holders, a plan of reorganization to be filed by the Holders. A plan of reorganization that would permit consummation of the Asset Purchase Agreement on or after the plan's effective date (whether such plan of reorganization is filed by the Debtors or the Holders) and, in the case of a plan of reorganization filed by the Debtors, is otherwise acceptable to the Holders shall hereinafter be referred to as the "Plan";

WHEREAS, by entering into this Agreement, the Holders understand that they will be unable to accept, support or vote for any other offer for the Purchased Assets (as defined in the Asset Purchase Agreement), including an offer that may emerge hereafter which is higher or better than that represented by the Asset Purchase Agreement; and

WHEREAS, all capitalized items not otherwise defined herein shall have the meanings ascribed to such terms in the Asset Purchase Agreement;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration receipt of which is hereby acknowledged by the Parties, the Parties hereby agree as follows:

Section 1. Support of the Plan.

(a) Subject to the provisions of Section 1(d) below, each of the Holders agrees that so long as it is the holder of record of a Claim and this Agreement is in effect, (i) it will not agree to, consent to, provide any support to, participate in the formulation of, or vote for any plan of reorganization in the Cases other than the Plan, and (ii) it will permit the contents of this Agreement to be disclosed in the disclosure statement relating to the Plan (the "Disclosure Statement").

(b) Subject to the provisions of Section 1(d) below, each of the Holders agrees that, upon receipt of a ballot soliciting its vote in respect of the Plan, it shall vote in favor of the Plan subject only to the condition that the information about the Debtors set forth in the Disclosure Statement is not materially inconsistent with the information provided to such Holder prior to the date hereof. Each Holder acknowledges that (i) prior to the date hereof, it has obtained such information relating to the Debtors' assets, properties, business, financial condition and prospects as it deemed appropriate in order to make an informed decision regarding the terms and conditions of this Agreement and (ii) it is an "accredited investor" under Section 2(15) of the Securities Act of 1933. Furthermore, each Holder further agrees that it will not assert that the emergence after the date hereof of an Alternative Transaction that may be higher or better than the Plan constitutes information that is materially inconsistent with the information provided to such Holder prior to the date hereof.

(c) Subject to the provisions of Section 1(d) below, each of the Holders agrees that so long as it is the holder of record of a Claim and this Agreement is in effect, it will and it will instruct its Agent, as the case may be, to take all actions reasonably necessary (and consistent with the Holders' status as creditors) to achieve consummation of the transactions contemplated by the Asset Purchase Agreement, whether by confirmation of the Plan, the obtaining of orders from

the Bankruptcy Court under Sections 363 and 365 of the Bankruptcy Code or the confirmation of a plan of reorganization proposed by the Holders. Without limiting the foregoing, each of the Bank Agent and GECC (in their respective agent capacities) is hereby authorized to execute the Asset Purchase Agreement and such other of the "Related Agreements" (as defined therein) as it may be requested to execute, and to take such other action as may be reasonably necessary, in connection with the Asset Purchase Agreement and the closing of the transactions contemplated thereby.

(d) Nothing contained in this Agreement shall in any way limit the right of any of the undersigned to vote against, object to or otherwise oppose the Plan (or otherwise act in the Debtors' cases) in a capacity held by such person other than such person's capacity as a Holder. Without limiting the foregoing, any of the undersigned who are 1995 Lenders (defined below) shall be free to vote (and otherwise enforce) the claims held in such capacity in whatever manner such 1995 Lender deems appropriate.

Section 2. *Option.*

(a) *The Option; Exercise Period; Conditions to Right to Exercise.* Each of the Holders hereby grants to Purchaser an option (the "Option") to purchase such Holder's Claim on the terms and conditions hereinafter set forth. The Option may be exercised, by written notice to the Holders and tender of the Exercise Price (as defined below), at any time after the date hereof and prior to July 31, 2000 (the "Exercise Period") if and only if (i) Holders holding more than 33% of the aggregate amount of the Claims (the "Requisite Holders") violate the provisions of Section 1 of this Agreement, (ii) an order is entered by the Bankruptcy Court which authorizes the Debtors to enter into or consummate an Alternative Transaction and, if the Agents have objected to the entry of and appealed such order, such order has become a Final Order (defined below), (iii) an Alternative Transaction is consummated or (iv) the Closing has not occurred on or prior to July 18, 2000. In addition, the Option may only be exercised for all of the Holders' Claims (unless the Purchaser's failure to purchase all of the Claims is the result of any Holder's breach of its obligation to sell such Claim to Purchaser on the terms and conditions of this Section 2). A Final Order, as used herein, means an order of the Bankruptcy Court with respect to which (x) no appeal has been filed within the time period specified by Rule 8002(a), Federal Rules of Bankruptcy Procedure, or (y) in the event a timely appeal of such order has been filed, all appeals have been exhausted without a reversal or vacation of that facet of the order which authorizes the Debtors to consummate the Alternative Transaction.

(b) *Exercise Price.* Upon exercise of the Option, Purchaser shall (i) pay the "Exercise Price" (as defined below) in immediately available funds to the Agents for distribution to each Holder, (ii) purchase each Holder's and other lender's (collectively, the "DIP Lenders") interest in the Debtor In Possession Credit Agreement dated as of October 5, 1998 (the "DIP Facility"), as amended to the date on which the closing of the Option occurs (the "Option Closing Date") for an amount in cash equal to the outstanding principal amount thereof plus all accrued and unpaid interest, fees and expenses thereon (the "DIP Claims") as of the Option Closing Date and assume all of the DIP Lenders' remaining commitments and other obligations under the DIP Facility, such purchase to be structured as an outright assignment of the DIP Lenders' rights and obligations under the DIP Facility, if the Debtors consent to such

assignment, or as a purchase of a 100% participation interest in the DIP Facility, in either case in accordance with the Purchase and Assumption Agreement attached as Exhibit I (the DIP Claims that are so purchased, the "Purchased DIP Claims"); provided, however, that DIP Lenders who are not Holders will have no obligation to sell their DIP Claims to Purchaser, and Purchaser shall have no obligation to purchase any DIP Claims held by such lenders (or to assume obligations in respect of such DIP Claims) unless such non-Holder DIP Lenders offer to sell their DIP Claims to Purchaser on the Option Closing Date at the foregoing price; and (iii) assign to the Holders all rights to the Claims in respect of the Excluded Assets including the right to receive all value distributed on the Claims in respect of the Excluded Assets (which Excluded Assets shall also include the value of the Debtors' existing tax attributes) (the "Assignment") and each Holder shall sell, transfer and assign to Purchaser its Claim, subject to the Assignment but otherwise free and clear of any lien or encumbrance. The "Exercise Price" shall be equal to the product of (A) the difference between (1) the "Target Price" (as defined below) minus (2) the aggregate amount of DIP Claims as of the Option Closing Date, multiplied by (B) such Holder's percentage (in principal amount) of the Claims (each, a "Holder Percentage") as set forth on the signature pages hereto (the "Cash Payment"). The "Target Price" shall equal (x) the sum of (i) \$158.637 million plus (ii) the Prepaid Advertising plus (iii) the Prepaid Rent plus (iv) any payments made by the Debtors in April of 2000 under the Retention Bonus Program plus (v) any payments made by the Debtors under the Support Staff Retention Bonus Program minus (y) the sum of (a) the Net Working Capital Liabilities plus (b) the Affiliate Reduction (each of (x)(ii), (x)(iii), (y)(a) and (y)(b) calculated as of the Option Closing Date).

(c) *Holdback*. Purchaser will be entitled to holdback 10% of the Cash Payment payable to each Holder (the "Holdback") until a final determination (whether, if the Agents elect to litigate the allocation, by entry of a Final Order in the context of such litigation or by an agreed stipulation between the Agents (on behalf of the Holders) and the 1995 Lenders (defined below) or by the Independent Accountants (defined below) in accordance with the procedures set forth below) has been made regarding the amount of proceeds that the lenders under that certain Master Lease Agreement dated as of September 27, 1995, as amended, between the Company, as lessee, and GECC, for itself and as agent for certain participants, as lessor, with respect to which Citizens Bank of Rhode Island is currently acting as lessor and agent (in the stead of GECC)(the lessor and participants under such agreement, the "1995 Lenders") would be entitled to receive in connection with a sale of the Purchased Assets to Purchaser under the Asset Purchase Agreement (the "1995 Allocation"). If the 1995 Allocation is less than the aggregate amount of the Holdback, the difference between the aggregate Holdback (together with interest accrued thereon from and after the Option Closing Date at the simple rate of 8% per annum) and the 1995 Allocation shall be remitted by Purchaser to the Holders pro rata based on the Holder Percentages upon determination of the 1995 Allocation. If the 1995 Allocation is greater than the aggregate Holdback, then Purchaser will be entitled to retain the aggregate Holdback and, notwithstanding the Assignment, the Purchaser shall be entitled to receive the first proceeds realized by the Holders in respect of the Excluded Assets up to the amount of the difference between the 1995 Allocation and the aggregate Holdback. If the proceeds of all Excluded Assets are insufficient fully to compensate Purchaser for the difference between the 1995 Allocation and the aggregate Holdback, each Holder will reimburse Purchaser for its pro rata share (based on the Holder Percentages) of the final deficiency amount, such reimbursement obligation being several but not joint. If there is any dispute concerning the value of the 1995 Allocation or the

value of distributions made or to be made in respect of the 1995 Allocation or the Excluded Assets, an independent accounting firm that is mutually acceptable to Purchaser and Agents (the "Independent Accountants") will resolve the dispute and their determination (as well as their determinations concerning the matters committed to their review that are set forth in Section (e) below) will, absent manifest error, be binding upon Purchaser and the Holders. The Independent Accountants' fees for these services shall be split equally between Purchaser, on the one hand, and the Holders (pro rata based on the Holder Percentages), on the other.

(d) *Acknowledgements.* Purchaser acknowledges and agrees that if Purchaser elects to exercise the Option, such exercise shall be Purchaser's sole remedy for a violation by Holders of Section 1 hereof. Purchaser further acknowledges and agrees that, if the Requisite Holders violate the provisions of section 1 hereof and Purchaser does not exercise the Option, (i) Purchaser's recourse for breach shall be limited to those Holders and Participants that violated Section 1, and (ii) any liability of such breaching Holders or Participants shall be several, not joint. Purchaser further acknowledges and agrees that (A) all payments made to Holders after the Petition Date through the Option Closing Date in respect of the Claims (including all interest payments and all professional fee and expense reimbursement payments paid to the Agents or their professionals for services rendered through the Option Closing Date in respect of the Claims) shall constitute pro rata reductions of that portion of the Claims that are ultimately allowed by the Bankruptcy Court as secured claims under Section 506 of the Bankruptcy Code, and (B) such reduction of the Claims shall not entitle Purchaser to any reduction of or adjustment to the Exercise Price. Purchaser further acknowledges and agrees that the Agents shall, upon Purchaser's exercise of the Option, have the right to resign (without appointing any successors) any and all of their respective positions as agents, or to limit their responsibilities in such capacities to functioning as agents solely for the Holders. The Holders acknowledge and agree that after payment of the Exercise Price and the purchase of the Purchased DIP Claims and except as provided in paragraph (e) below, (1) Purchaser will be entitled to receive all value distributed from the Debtors' estates on account of the Purchased DIP Claims; and (2) Purchaser will be entitled to receive all value distributed from the Debtors' estates on account of the Claims (the "1996 Distributions") in respect of the Purchased Assets. Subject to the provisions of paragraph (c) above, Purchaser acknowledges that the Holders will be entitled to receive all 1996 Distributions in respect of the Excluded Assets.

(e) *Adjustments.* Purchaser's right to receive 1996 Distributions in respect of the Purchased Assets after its exercise of the Option is subject to adjustment as follows:

(i) If, after exercise of the Option, proceeds of Excluded Assets are used by the Debtors to pay any portion of the DIP Claims, whether principal, interest or fees (collectively, the "DIP Reductions"), Purchaser shall remit to the Agents, for distribution to the Holders, cash in an amount equal to such DIP Reductions, when and as such DIP Reductions are made.

(ii) If, after exercise of the Option, the Bankruptcy Court authorizes the Debtors, over the Agents' objection, to use proceeds of Excluded Assets, Purchaser will immediately increase the Debtors' borrowing capacity under the DIP Facility (access to which will be conditioned upon the Debtors' agreement

not to use the Excluded Asset proceeds) in an amount that is sufficient to obviate the Debtors' need to use such Excluded Asset proceeds. If, notwithstanding the availability to the Debtors of such increased borrowing capacity, the Debtors choose to use Excluded Asset proceeds, Purchaser shall remit to the Agents, for distribution to the Holders, cash in an amount equal to the Excluded Asset proceeds used by the Debtors, when and as such Excluded Asset proceeds are used.

(iii) If the Option is exercised and the aggregate liabilities comprising priority claims that are paid or assumed in an Alternative Transaction approved by the Bankruptcy Court is less than the aggregate liabilities comprising priority claims that would be paid or assumed pursuant to the Asset Purchase Agreement (and related documents) had Closing occurred on the date that the Alternative Transaction closes, Purchaser shall, upon the later to occur of the Option Closing Date or the date upon which the Alternative Transaction closes, remit to the Debtors' estates (and relinquish any claim to) cash equal to such difference.

(iv) If the Option is exercised and value that is attributable to both the Purchased Assets and the Excluded Assets is combined in a 1996 Distribution, or there is a dispute between Purchaser and the Agents over whether value has been so combined, the Independent Accountants will determine the appropriate allocation of the distributed value (including the appropriate allocation of distributed currency to the extent that distributions are not exclusively cash) as between Purchaser and the Holders. Without limiting the foregoing, the contribution of the Debtors' existing tax attributes towards total transaction consideration in an Alternative Transaction shall be determined by the Independent Accountants.

(v) If (A) the Requisite Holders have not violated Section 1 of this Agreement, (B) the Option is exercised, (C) a plan of reorganization or a §363 transaction is confirmed or approved, as the case may be, (D) the unpaid balance of the Claims that remains after giving effect to the 1996 Distributions received by Purchaser in respect of the Purchased Assets (the "Deficiency Claim") is less than the Deficiency Claim that would have remained if the Asset Purchase Agreement had been consummated, and (E) because the Deficiency Claim is reduced, the 1996 Distributions in respect of the Excluded Assets (whether such distributions are on account of the secured, priority or unsecured portions of the Claims) are diminished in comparison to what such distributions would have been if the Asset Purchase Agreement had been consummated, then Purchaser will remit to Agents, for distribution to the Holders, cash in an amount equal to the diminution of such distributions when the magnitude of such diminution has been determined by the Independent Accountants.

(f) *Management and Control of the Claims.* Until Purchaser exercises the Option, the Holders will be entitled to make all decisions concerning matters affecting the Claims including, but not limited to, all matters in the Debtors' cases. Except for the Holders'

obligations under Sections 1 and 3 of this Agreement, the Holders will owe no duties whatsoever to Purchaser in respect of the Claims. After Purchaser exercises the Option and pays to the Holders the Exercise Price, Purchaser will have the right to (i) direct the Holders (who will retain title to the Claims for enforcement purposes) to vote the Claims in connection with any plan of reorganization involving an Alternative Transaction, and (ii) direct the Holders to credit-bid the Claims in connection with any Section 363 proceeding involving an Alternative Transaction; provided, however, (A) that Purchaser will not direct the Holders to credit-bid the Claims for any portion of the Excluded Assets and Purchaser will not direct the Holders to vote for (and, at the Agents' request, will direct the Holders to reject) any plan of reorganization that (1) compromises, releases or sells the Excluded Assets (or any portion thereof), (2) proposes to distribute cash in consideration of the Excluded Assets (or any portion thereof) that is unacceptably low to the Agents, or (3) provides for the distribution of property other than cash in consideration of Excluded Assets (or any portion thereof), and (B) the Holders will continue to be entitled to make all decisions concerning all other matters (both legal and business) affecting the Claims in any way including, but not limited to, all decisions (and their prosecution, defense and implementation in Bankruptcy Court) which in any way relate to (1) actual or potential recoveries in respect of Excluded Assets, (2) the allocation of collateral proceeds between the Claims and the 1995 Claims, (3) any request by the Debtors to release, compromise, use or sell the Excluded Assets (or portions or proceeds thereof), or (4) the allowance of the Claims; provided further, however, that (x) the Holders will not, absent Purchaser's agreement, consent to the allowance of the secured portion of the Claims for an amount that is less than the sum of the Exercise Price and the value (as reasonably determined by the Agents) of the Excluded Assets which constitute any portion of the collateral for the Claims, and (y) the Agents will permit Purchaser (at Purchaser's expense) fully to participate in any valuation contest concerning the value of the secured portion of the Claims. Except as specifically provided in the preceding sentence, the Holders will owe no duties whatsoever to Purchaser in making, enforcing or implementing the decisions concerning the Claims, and Purchaser will owe no duties to the Holders in voting or credit-bidding the Claims.

(g) Call Right. If (i) Purchaser exercises the Option, and (ii) the transaction contemplated by the Asset Purchase Agreement is thereafter approved by the Bankruptcy Court, the Holders and DIP Lenders will have the right, exercisable by written notice to Purchaser at any time prior to the fifth business day prior to the Closing, to repurchase the Claims and the Purchased DIP Claims from Purchaser on the day of the Closing for an amount in cash equal to the sum of (a) the portion of the Exercise Price previously paid by Purchaser to the Holders plus (b) the amount of the Purchased DIP Claims then outstanding. Such repurchase, if exercised, will automatically terminate the Option. Additionally, if (1) Purchaser exercises the Option, (2) the transaction contemplated by the Asset Purchase Agreement is thereafter approved by the Bankruptcy Court and is consummated, (3) the Purchased DIP Claims have been paid in full, and (4) the Purchaser has received all 1996 Distributions in respect of the Purchased Assets, the Holders will have the right, exercisable by written notice to Purchaser at any time, to repurchase the Claims for \$1.00. Upon the closing of any such repurchase, this Agreement shall be automatically terminated and of no further force or effect.

(h) *Reserves.* The Holders agree that, upon Purchaser's exercise of the Option and from time to time thereafter, the Agents will be entitled to establish and fund a reserve with the Cash Payment and proceeds of the Excluded Assets (in each case, pro rata from each Holder's share of such amounts) in amounts that, in the Agents' reasonable judgment, are sufficient to satisfy fees and expenses incurred and to be incurred by the Agents in connection with their enforcement of the Claims and any actions taken hereunder. The Holders who are parties to the Credit Agreement also waive, effective immediately upon Purchaser's exercise of the Option, any restrictions in the Credit Agreement concerning the concentration of ownership of Claims under the Credit Agreement.

Section 3. *Transfer of Claims.* This Agreement shall not in any way restrict the right or ability of any Party hereto to sell, use, assign, transfer or otherwise dispose of any of the Claims, or securities representing such Claims; provided, however, that such transfer shall not be effective unless and until the transferee delivers to the transferor and the Purchaser, at the time of such transfer, a written agreement containing the provisions set forth in Exhibit II acknowledging and agreeing that such sale, transfer or other disposition is made subject to the all of the terms of this Agreement.

Section 4. *Disclosure of Holdings.*

Each Holder hereby represents that (i) the amount of the Claim asserted in the proof of claim filed by such Holder in connection with the Cases, as such proof of claim may be amended to the date hereof, accurately reflects the amount of its Claim, and (ii) attached hereto as Exhibit III is a true and correct copy of such proof of claim.

Section 5. *Representation and Warranty and Covenants to Title.* Each Holder represents and warrants that as of the date hereof it has or, in the case of Bear Stearns, as of the Option Closing Date it will have good and valid title to its Claim or Claims free and clear of all adverse claims to title and makes no other representations and warranties. Each Holder hereby covenants and agrees in favor of Purchaser that it shall not enter into any agreement relating to its Claims that conflicts with or would prevent or restrict the performance of its obligations under this Agreement.

Section 6. *No Waiver of Participation.* Each Party expressly acknowledges and agrees that, except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of any Party to protect and preserve all of its rights, remedies and interests, including, without limitation, with respect to its claims against and interests in the Company, or its full participation in the bankruptcy process and any proceedings in the Cases.

Section 7. *Guarantee of Payment.* Parent hereby unconditionally and irrevocably guarantees to Holders the due and punctual payment of all of Purchaser's obligations hereunder. Parent's guarantee of payment shall be a continuing guarantee of payment and is irrevocable and unconditional and shall remain in full force and effect until all of Purchaser's obligations hereunder have been satisfied in full.

Section 8. *Complete Agreement; Modification of Agreement.* This Agreement constitutes the complete agreement between the Parties with respect to the subject matter hereof. This Agreement may not be modified, altered, amended or waived except by an agreement in writing signed by all Parties hereto.

Section 9. *Severability.* Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 10. *Parties.* This Agreement shall be binding upon, and inure to the benefit of, the Parties. No rights or obligations of any Party under this Agreement may be assigned or transferred to any other person or entity, except as provided in Section 3 hereof. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties, any benefit or any legal or equitable right, remedy or claim under this Agreement.

Section 11. *Governing Law; Consent to Jurisdiction.* THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE. Each of the Parties hereto consents to the jurisdiction of the Bankruptcy Court.

Section 12. *Limitation of Obligations.* Nothing contained in this Agreement shall be deemed to obligate any Party to engage in any action that can reasonably be expected to involve a violation of law.

Section 13. *Termination.* This Agreement shall terminate upon the earliest to occur of (i) the Closing, (ii) termination of the Asset Purchase Agreement, except for a termination by Purchaser arising out of the Debtors' violation of Section 6.8 of the Asset Purchase Agreement, or (iii) July 31, 2000.

Section 14. *No Third Party Beneficiaries.* This Agreement shall be solely for the benefit of the Parties hereto and Holders that have executed Agreements substantially in the form hereof and no other person or entity shall be a third party beneficiary hereof.

Section 15. *Notices.* All notices hereunder shall be deemed given if in writing and delivered or sent by telecopy, courier or by registered or certified mail (return receipt requested) to the following addresses or telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

(a) if to Purchaser, to:

Golden Restaurant Operations, Inc.
c/o McDonald's Corporation
McDonald's Plaza
Oak Brook, Illinois 60521
Attn: Chris Pieszko

Telecopier: 630-623-5865

With copies to:

Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York
Attn: James E. Millstein
Telecopier: 212-225-3999

(b) if to a Holder (or a transferee of such Holder) to the address or telecopier number set forth below such Holder's (or its transferee's) signature, with copies to such persons as are thereafter designated.

Any notice given by delivery, mail or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission.

Section 16. *Counterparts*. This Agreement may be executed in any number of counterparts, each of which shall, collectively and separately, constitute one agreement.

Section 17. *Effectiveness*. This Agreement shall become effective when executed and delivered by Purchaser and each of the Holders.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[HOLDER]

By: _____
Name: _____
Its: _____

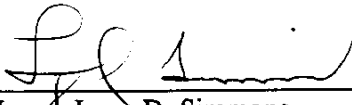
Holder's address:

Attn: _____
Telecopier: _____

With a copy to:

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

BANK OF AMERICA

By: 
Name: Lynn D. Simmons
Its: Senior Vice President

Revolver: \$12,002,900.00
Total: \$12,002,900.00
Percentage: 5.38%

Holder's address:
231 South LaSalle Street
Chicago, Illinois 60697
Attn: Lynn D. Simmons
Telecopier: 312-987-0234

GOLDEN RESTAURANT OPERATIONS, INC.

By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

BANK OF AMERICA

By: _____

Name: Lynn D. Simmons

Its: Senior Vice President

Revolver: \$12,002,900.00

Total: \$12,002,900.00

Percentage: 5.38%

Holder's address:

231 South LaSalle Street

Chicago, Illinois 60697

Attn: Lynn D. Simmons

Telecopier: 312-987-0234

GOLDEN RESTAURANT OPERATIONS, INC.


By: _____

Name: Catherine A. Griffin

Its: Vice President

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

GENERAL ELECTRIC CAPITAL
CORPORATION

By: 
Name: Daniel P. Gioia
Its: Senior Risk Manager

Revolver:	\$ 13,902,320.00
Master Lease:	\$166,119,426.52
Total:	<u>\$180,021,746.52</u>
Percentage:	80.64%

Holder's address:
201 High Ridge Road
3rd Floor
Stamford, Connecticut 06927
Attn: Daniel P. Gioia
Telecopier: 203-316-7896

GOLDEN RESTAURANT OPERATIONS, INC.

By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

GENERAL ELECTRIC CAPITAL
CORPORATION

By: _____

Name: Daniel P. Gioia

Its: Senior Risk Manager

Revolver:	\$ 13,902,320.00
Master Lease:	\$166,119,426.52
Total:	<u>\$180,021,746.52</u>
Percentage:	80.64%

Holder's address:

201 High Ridge Road

3rd Floor

Stamford, Connecticut 06927

Attn: Daniel P. Gioia

Telecopier: 203-316-7896

GOLDEN RESTAURANT OPERATIONS, INC.

By: _____

Name: Catherine A. Griffin

Its: Vice President

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

BEAR STEARNS & CO., INC.

By: _____

Name: Greg A. Hanley

Its: Senior Managing Director

Revolver: \$9,602,320.00

Total \$9,602,320.00

Percentage: 4.30%

Holder's address:

245 Park Avenue

New York, New York 10167

Attn: Greg A. Hanley

Telecopier: 212-272-8102

GOLDEN RESTAURANT OPERATIONS, INC.

By: _____

Name: _____

Its: _____

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

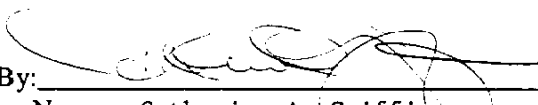
BEAR STEARNS & CO., INC.

By: _____
Name: Greg A. Hanley
Its: Senior Managing Director

Revolver:	\$9,602,320.00
Total	<u>\$9,602,320.00</u>
Percentage:	4.30%

Holder's address:
245 Park Avenue
New York, New York 10167
Attn: Greg A. Hanley
Telecopier: 212-272-8102

GOLDEN RESTAURANT OPERATIONS, INC.

By:  _____
Name: Catherine A. Griffin
Its: Vice President

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

BANKERS TRUST COMPANY

By: 

Name: Allan M. Stewart

Its: Managing Director

Revolver: \$7,201,740.00

Total: \$7,201,740.00

Percentage: 3.23%

Holder's address:

Bankers Trust Company

One Bankers Trust Plaza

130 Liberty Street

New York, New York 10006

Telecopier: (212) 669-1575

GOLDEN RESTAURANT OPERATIONS, INC.

By: _____

Name: _____

Its: _____

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

BANKERS TRUST COMPANY

By: _____

Name: Allan M. Stewart

Its: Managing Director

Revolver: \$7,201,740.00

Total: \$7,201,740.00

Percentage: 3.23%

Holder's address:

Bankers Trust Company

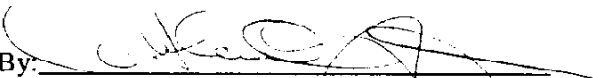
One Bankers Trust Plaza

130 Liberty Street

New York, New York 10006

Telecopier: (212) 669-1575

GOLDEN RESTAURANT OPERATIONS, INC.

By:  _____

Name: Catherine A. Griffin

Its: Vice President

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

BANK BUMIPUTRA MALAYSIA BERHAD

By: 

Name: Abdul-Kadir Mahmud

Its: General Manager

Revolver: \$4,801,160.00

Total: \$4,801,160.00

Percentage: 2.15%

Holder's address:

900 Third Avenue

New York, New York 10167

Attn: Abdul-Kadir Mahmud

Telecopier: 212-644-1874

GOLDEN RESTAURANT OPERATIONS, INC.

By: _____

Name: _____

Its: _____

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

BANK BUMIPUTRA MALAYSIA BERHAD

By: _____

Name: Abdul-Kadir Mahmud

Its: General Manager

Revolver: \$4,801,160.00

Total: \$4,801,160.00

Percentage: 2.15%

Holder's address:

900 Third Avenue

New York, New York 10167

Attn: Abdul-Kadir Mahmud

Telecopier: 212-644-1874

GOLDEN RESTAURANT OPERATIONS, INC.

By: _____

Name: Catherine A. Griffin

Its: Vice President

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

PILGRIM RATE TRUST, by PILGRIM
INVESTMENTS, INC., as its investment manager

By: 

Name: Robert L. Wilson
Its: Vice President

Revolver:	\$9,602,320.00
Total:	<u>\$9,602,320.00</u>
Percentage:	4.30%

Holder's address:
Two Renaissance Square
40 North Central Avenue
Suite 1200
Phoenix, Arizona 85004
Attn: Robert L. Wilson
Telecopier: 602-417-8327

GOLDEN RESTAURANT OPERATIONS, INC.

By: _____

Name: _____

Its: _____

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

PILGRIM RATE TRUST, by PILGRIM
INVESTMENTS, INC., as its investment manager

By: _____
Name: Robert L. Wilson
Its: Vice President

Revolver:	\$9,602,320.00
Total:	<u>\$9,602,320.00</u>
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Two Renaissance Square
40 North Central Avenue
Suite 1200
Phoenix, Arizona 85004
Attn: Robert L. Wilson
Telecopier: 602-417-8327

GOLDEN RESTAURANT OPERATIONS, INC.

By: _____
Name: Catherine A. Griffin
Its: Vice President